

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 19233
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On July 27, 2005, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission denied a request for refund in the total amount of \$393 [Redacted] (taxpayer) which was submitted with the filing of his 2004 Idaho individual income tax return on June 27, 2005.

On August 4, 2005, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has failed to make any further contact with the Tax Commission. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayer filed a 2004 individual income tax return requesting a refund of his excess withholdings. However, the taxpayer did not provide a copy of his W-2 wage statement showing the amount of withholdings made from his wages. Instead, the taxpayer submitted Idaho form W-2 SUB stating his employer was no longer in Idaho, and his attempts to get his W-2 Wage and Tax Statement went unanswered. The taxpayer provided what he said was his last pay stub from his employer showing his year-to-date totals for his wages and withholdings.

When the Revenue Operations Division (Division) of the Idaho State Tax Commission received the taxpayer's return, it questioned the validity of the information provided with the return. The Division asked the taxpayer to provide additional information. The taxpayer responded that he made an exhaustive effort to secure his missing W-2 from his employer. However, the company moved, and he had no way of tracking down the owner. To complicate

matters further, the taxpayer had serious medical conditions and was incarcerated [Redacted] Since the taxpayer could not provide the needed information, the Division processed the taxpayer's return without issuing the refund and referred the return to the Tax Discovery Bureau (Bureau).

The Bureau reviewed the matter, researched [Redacted] Internet records, determined the taxpayer did not actually work in Idaho during 2004, and sent the taxpayer a Notice of Deficiency Determination disallowing the taxpayer's refund. The taxpayer protested the Bureau's determination stating that the information the Bureau used was incorrect. He stated that he was paroled [Redacted] and was not re-admitted into the [Redacted] system [Redacted]. [Redacted]. The taxpayer said he worked [Redacted] during this time. The taxpayer provided copies of documents showing when he was paroled and when he was re-admitted [Redacted]

After receiving this information from the taxpayer, the Bureau obtained additional information from the Internal Revenue Service (IRS). The information from the IRS showed the taxpayer received wages [Redacted] in 2004. The Bureau [Redacted] asked for information regarding the taxpayer's employment with the company. [Redacted] stated the taxpayer was employed by the company [Redacted]. [Redacted] also provided a copy of the W-2 form it provided the taxpayer. The Bureau noticed the overlapping dates from when the taxpayer stated he was in Idaho and when [Redacted] stated he was employed. The Bureau sent the taxpayer a letter asking him to explain the inconsistency of the dates, but the taxpayer failed to respond. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter giving him the opportunity to provide additional information that the Tax Commission could use in redetermining the Notice of Deficiency Determination. The taxpayer did not respond. The Tax Commission sent a follow-

up letter to the taxpayer and, when that letter went unanswered, the Tax Commission contacted [Redacted]. [Redacted] informed the Tax Commission that the taxpayer was transferred to another facility and provided his new address. The Tax Commission sent a letter to the taxpayer's new address but still received no response from the taxpayer. Therefore, the Tax Commission decided the matter based upon the information available.

The taxpayer filed an Idaho Form 40EZ reporting \$5,676 of wages earned in Idaho. Attached to his income tax return were Form W-2 SUB and a strip of paper the taxpayer claimed was his last pay stub from his employer. The taxpayer provided the attachments because he did not receive a W-2 wage statement from his employer and he was unable to contact his employer to get the W-2 form.

The Division and the Bureau questioned the veracity of the strip of paper reported to be the last pay stub the taxpayer received from his employer. The strip of paper was ragged on three of the four edges as if being torn from a larger sheet of paper. None of the edges show any signs of being perforated as one might see from a payroll pay stub. It did not appear to be an actual pay stub.

In addition, there are the contradictory statements of the taxpayer [Redacted]. The taxpayer stated he was in Idaho from July 13, 2004, to October 24, 2004, [Redacted]. [Redacted] stated the taxpayer worked for it from May 10, 2004, to September 13, 2004. [Redacted] also filed a W-2 wage statement with the IRS showing the taxpayer's wages earned [Redacted] When asked to explain the contradictions, the taxpayer failed to respond.

The Tax Commission checked [Redacted] and found nothing; it was as if the company or business never existed. Other than the taxpayer's statements, the only evidence that might possibly show the taxpayer was in Idaho is a nondescript slip of paper. Consequently, the

taxpayer's claim for refund is solely based upon unsubstantiated statements of Idaho income and Idaho withholdings. On the other hand, the Tax Commission has documentation that clearly shows the taxpayer worked [Redacted].

Since the Tax Commission could not verify the taxpayer's income or his withholdings and there is strong evidence that he was working [Redacted] during most of the time the taxpayer claimed to be working in Idaho, the Tax Commission finds that there is insufficient evidence to require the taxpayer to file an Idaho income tax return, let alone receive a refund of withholdings that may have never been withheld. Therefore, the Tax Commission upholds the denial of the taxpayer's request for refund.

WHEREFORE, the Notice of Deficiency Determination dated July 27, 2005, is hereby APPROVED, AFFIRMED, and MADE FINAL.

An explanation of the taxpayer's right to appeal this decision is included with this decision.

DATED this _____ day of _____, 2007.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2007, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]
[REDACTED]

Receipt No.
